RE-EMPLOYMENT GUIDE

An Insight on the Practices & Implementation
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4. Mr. Ong Yen Her, Divisional Director, Ministry of Manpower
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RE-EMPLOYMENT GUIDE
An Insight on the Practices & Implementation
“Working beyond retirement age will enable our workers to be financially independent, and to age actively. For the employers, they will gain from having older workers who will contribute positively with their experience. It is definitely a ‘win-win’ situation for both employers and workers.”

Mr. John De Payva,
President, National Trades Union Congress

“With longer life expectancy, helping workers to work beyond the official retirement age of 62 is a key priority of the Labour Movement and the tripartite partners. Through re-employment, more Singaporeans will be able to be “H2P2” active agers - living a Happy, Healthy, Purposeful and Productive life. This will also help make our workforce more inclusive. Working together will raise the effective retirement age of Singaporeans.”

Mr. Lim Swee Say,
Secretary-General, National Trades Union Congress
Minister, Prime Minister’s Office
“This is an excellent and timely publication. With the imminent enactment of re-employment legislation, there is a need for both the employer and employees to better understand the practical issues associated with re-employment. We hope this comprehensive guide will accelerate re-employment efforts at the workplace.”

Mr Koh Juan Kiat,
Executive Director, Singapore National Employers’ Federation

“NTUC’s re-employment guide is a useful reference and a timely contribution to the tripartite partners’ efforts to help employers, unions and workers better understand the tripartite guidelines on re-employment of older employees. We encourage employers to study the good examples featured in the guide, and put in place and/or refine re-employment policies and practices ahead of 2012, when the legislation comes into effect.”

Mr Ong Yen Her,
Divisional Director, Ministry of Manpower
7 OVERVIEW
Re-employment:
The What, When and How

13 THE GUIDELINES
Interpretation of the Guidelines

34 PRACTICES
Making Re-employment Sustainable
– 5 Focus Areas

40 Case 1: Structured HR Policies on Re-employment
43 Case 2: Job and Work Place Re-design
45 Case 3: Performance-Based Remuneration
47 Case 4: Employability Training and Re-training
49 Case 5: Workplace Health Programmes

51 APPENDICES
52 Frequently Asked Questions
63 Resource Materials
91 References
Singaporeans are living longer. We will need money for those added years. We will also have more time to contribute our skills and experience to the work force and community. At the same time, companies will find younger workers and foreign manpower harder to come by.

The Government has therefore decided to make a law that requires employers to re-employ their workers at age 62. That law will take effect from 2012.

To help companies and workers get ready, the Tripartite Partners issued an advisory on the re-employment of older employees in April 2008. At the same time, outreach to companies, unions and workers was stepped up. By now, more than 80% of unionised companies have committed to re-employing their retiring workers. More are joining these ranks each month.

In March 2010, the advisory was refined and issued as the Tripartite Guidelines on Re-employment of Older Employees. We expect the re-employment law to reflect the essence of these Guidelines. With only 20 months to go before the law kicks in, now is the time for all companies to use these Guidelines and put in the policies and re-employment arrangements.

We are issuing this Guidebook to help companies and their unions and workers do just that. It contains actual scenarios on re-employment and case studies of companies with good practices. These will be useful references as the parties work toward re-employment contracts that are win-win.

Heng Chee How
Deputy Secretary-General NTUC
Chairman, NTUC Re-employment Group
OVERVIEW

Re-employment: The What, When and How
The Re-employment Legislation will come into effect in 2012. When this happens, employers will be required to offer re-employment to all employees who reach the retirement age of 62 years, provided the employee is:

- Medically fit to continue working
- Has satisfactory performance
Why is this new legislation necessary?

Our workforce is ageing rapidly

- Singapore’s population is older compared to 30 years ago.
- Today, 8 working persons support 1 person aged 65 and above. By year 2030, 3 working persons will support 1 elderly.
- Enabling employees to work beyond the current retirement age of 62 will enhance their financial status for a more comfortable life in their golden years and ease the dependency ratio.
Singapore’s birth rates have also been declining.

With fewer babies born, there will be less inflow of new entrants into the workforce.

We will need to tap on the pool of older employees. Companies will have no choice but to depend on older employees to fulfill their manpower needs.
Singaporeans are now living longer. For instance, a female born today can expect to live to about 83 years old, compared to a female born in 1970 (about 67 years old).

Savings in our CPF might not be enough to last us for our lifetime. Only about one-third (33.8%) of active CPF members who turned 55 in 2008 met the required minimum sum of $106,000.

Working longer, beyond the current retirement age of 62 years, will help us to accumulate more savings.

To ensure that CPF savings last longer, the CPF Minimum Sum Draw-Down Age will also be gradually increased to the age of 65 years old.
The changing demographics will have an impact on companies in Singapore in terms of the availability of a skilled and quality workforce. Coupled with the increasing retirement needs of the Singapore employee, we need to work out a win-win solution that maintains productivity and sustainable growth for companies while leveraging on the values and experience of the older employees. Older employees can look forward to a Happy, Healthy, Purposeful and Productive life.

The new Re-employment Legislation is therefore important in addressing these challenges.

The Tripartite Guidelines on Re-employment of Older Employees have been released to outline the processes to guide employers and employees to better prepare them for the re-employment legislation.
The Guidelines

Interpretation of the Guidelines
Implementing the Tripartite Guidelines on Re-employment of Older Employees

The complete Tripartite Guidelines on Re-employment is placed in the appendices on page 81 for your reference.

We have appended below some illustrations to bring you through the guidelines.

I am Lim Soo Seng, I am turning 62 soon. Can you help me better understand the guidelines?

So let’s move on and see how we can explain the guidelines to Brother Lim Soo Seng.

The Tripartite Guidelines on Re-employment comprise 4 components as shown in the illustration below. We will take Brother Lim through each area to see what each entails.
The diagram below illustrates the four key components and what they are about.

Planning and Preparing Employees for Re-employment
- Identifying Eligible Employees
- Counselling Programs
- Job Arrangement for Re-employment

The Re-employment Contract
- Offer of Re-employment
- Duration of Re-employment
- Adjustments to Remuneration

Recognising Contributions of Re-employed Employees
- Rewards
- Recognition

Assistance for Eligible Employees Who Cannot be Re-employed
- Employee Assistance Payment
- Other Forms of Assistance
Opportunities for All — Identifying eligible employees for re-employment.

Employers are required to offer re-employment to all employees who reach the retirement age of 62 years subject to 2 criteria.

The 2 criteria for re-employment are

- Medically Fit to Continue Working
- Satisfactory Work Performance
Hmmm, what does it mean to be medically fit and what is satisfactory work performance?

**Medically Fit to Continue Working**

An employee is medically fit to continue working if:

- He can do the job assigned to him
- His health does not affect his performance on that job

An employer should only deem an employee to be medically unfit to continue working after a proper medical assessment has been made.

Therefore, it is important for employers to have a clear understanding of the nature of the job that the employee is expected to do, and the job requirements. A job description would be helpful in conducting an objective assessment of an employee’s medical fitness to continue working.

*Example:*
A driver in company A has diabetes and high blood pressure, but the conditions are under control. His underlying conditions do not affect his ability to drive and perform his duty. His job requires him to deliver goods and get invoices to be signed as he makes his rounds. Therefore at age 62, he is still able to perform his job and with satisfactory performance, he was offered re-employment at 62.
In order for companies to be able to determine the level of performance of its workers, they would have to have a performance management system in place. A good performance management system should be fair, objective and transparent. It should motivate good performance and provide opportunities for improvement. For a guide, refer to templates in the appendices.

Example:
Worker A in company B is due for re-employment. He was given an unsatisfactory grading for that year. However he has been a satisfactory performer in the last 2 years, he was offered re-employment.

Employers should conduct regular performance reviews and provide timely feedback to all employees so that they can improve their performance.

Employers should encourage and provide assistance for underperforming staff to improve in their ratings. This should be done throughout the employees’ career and not only when the employees turn 62.
Preparing Employees – The Earlier the Better

In managing re-employment, it is important for the employer to know the age profile of its employees. This will assist the employer in determining how many employees will be due for re-employment in the immediate and coming years.

Employers then can consider various options for the employees; they would have to factor in issues like succession planning, training for new areas, re-deployment and suitable functions for re-employed staff. With proper planning, re-employment will be sustainable for the employer as well as scalable as the employer will be able to apply the re-employment policy across the different levels of employees in the company.

What’s the difference between Pre-retirement Planning and Re-employment Consultation?
Employers should engage their employees on re-employment issues as early as possible. With the information on the age profile, employers can engage those who are mature for (i) pre-retirement planning, and engage those nearing retirement for (ii) re-employment consultation.

### Pre-Retirement Planning
- Assess financial readiness. Understand the social and physiological aspects of ageing.
- Prepare for golden years. Introduce re-employment.
- Begin as early as possible, before age 61. Some exemplary companies begin at 55.
- Assess training needs.

### Re-employment Consultation
- Communicate the possibility of variations in remuneration and re-deployment.
- Manage expectations on re-employment. Understand employees’ concerns.
- Engage at least 6 months before age 62. Exemplary companies start 1 year before age 62.

If employees are prepared early, they will be more adaptable to the changes and will understand the rationale of these changes. It will help make their transition easier, and more palatable.
Now I know why I was sent for a program on understanding retirement. I am really looking forward to the re-employment consultation. What’s next?

The promise of “A” Job and not “THE SAME” Job

Re-employment is about employers offering a job to employees upon reaching the age of 62. It might not be “same job-same pay”. Employers will have to consider various issues like renewal, future directions of the company and suitable opportunities. Hence, in some instances employers may vary the job functions, remuneration or offer a different job. These should be done reasonably - ensuring that it is equitable to the employee.

While employers are given the flexibility to determine the job arrangements for re-employed employees, employers should also consider the job scope, job size and the competencies of the employee.

In the event where there is a need to adjust the pay and benefits upon re-employment, employers should communicate these changes to the employees early.
Hmm, we have to be receptive, positive and realistic so that our chances for re-employment are greater. I may not have the same job but continued employment will provide me with financial independence and a more fulfilling life.

Various job arrangements can be considered

- Offer of the same job, with existing wages and benefits;
- Offer of the same job, with appropriate adjustments in wages and benefits based on reasonable factors;
- Offer of a different job, with existing wages and benefits;
- Offer of a different job with re-negotiated terms; Or
- Other job arrangements, such as part time, flexi time, job sharing which shall be mutually agreed upon by both parties

On the employee’s part, it is important for the employee to understand that it is a new contract and to keep an open mind to the re-employment options presented. Similarly, employers should take into account the experience and capabilities of the employees when determining the job arrangement and remuneration of the employees.

Building capabilities of older employees – Enhancing employment opportunities

Employers should continue to provide appropriate training to older employees. Older employees should be receptive to continuous
training and upgrading to remain employable and relevant to changing demands and new technology at the workplace.

In the case of a NEW job arrangement, where the job scope needs to be modified or the re-employed employee is expected to take on a different job role, the employer should prepare and inform the employee in advance. Adequate training should also be provided to the employee well ahead of re-employment where needed, so as to ease the employee into the new role.

Example:
Employer C has a Career Transition Unit which facilitates transition of older employees into the re-employment phase of their careers. The Training Department ensures lifelong employability training to ensure that employees are continuously upgraded. Upon re-employment, a technician in the water works department was given a different job role as a reservoir inspector. Six months prior to his change of job, he was oriented to the new job and provided the competency training to assume his new responsibilities. He has since moved into the new job and is making effective contributions.

The Re-employment Contract

What does re-employment contract mean and what should I be aware of?

The re-employment contract should observe flexibility for employers while maintaining reasonable terms of offer for employees.
Features of re-employment contract

**Notification**

**Notification Period (3 Months)**

- At least 3 months before employee reaches age 62, employer should provide employee with detailed offer – or non offer – of re-employment.

- This procedure will allow employees offered re-employment to consider their options, while employees not offered re-employment are provided with opportunities to look for a job elsewhere.

- The retiring employee would be deemed to be re-employed on the existing terms if the company is silent about his re-employment arrangement.

**Duration of Contract (Up to age 65)**

- 3 Year contract up to age 65, to be reviewed yearly

- Yearly contract up to age 65 renewable yearly
Ok, so I can work till 65, but what about my terms and conditions of re-employment?

The tripartite guidelines encourage employers to be flexible and reasonable in making adjustments to wages and benefits of the re-employed employees.

**Wages**
- Employees must be paid for the value of the job
- Factor experience and knowledge of employee
- Factor in any adjustments made at age 60

**Medical Benefits**
- Co-payment of medical benefits
- Appropriate caps on claimable amount
- Employers provide additional contribution to employees’ Medisave

**Annual/Sick Leave**
- Employees will continue to enjoy their annual and sick leave benefits immediately upon re-employment.
- Benefits should be fair to both the re-employed and other employees.
- Benefits should not be less than what is provided to new employees.

**Termination Notice**
- Notice must be the same for both employer and employee.
- In the event of unfair dismissal, re-employed employees may approach Ministry of Manpower or their unions for assistance.
I am worried by the possibility of adjustments to wages and my other benefits. I would like to understand more.

With reference to Section 5(5) of the Retirement Age Act, an employer may reduce the wages, up to 10%, but this has to be based on reasonable factors such as:

- employees’ productivity;
- performance;
- job duties and responsibilities, and
- wage systems

The tripartite guidelines recommend that employer should take into account the value of the job and any earlier reduction made at age 60 if wages need to be adjusted again at age 62.

**Example:**
Company D in the infocomm sector adopts a performance-based wage system and pays according to the value of the job. As such it does not cut employees' wages at age 60, as well as at age 62 if they are offered the same job.

Company E in the financial sector has a seniority-based wage system and implemented some reduction to the employees' wages at age 60. Having paid the employee according to the value of the job, the employer does not make any further reduction to the wages upon re-employment.
Medical Benefits

Employees who are re-employed at age 62 may be offered the same medical benefits (in-patient and outpatient) as a new hire.

Medical cost is a concern for employers, as well as employees. In devising any new medical benefits, affordability and fairness are two key principles that should be considered by employers and employees.

Medical benefits may comprise the following options:

**OUTPATIENT BENEFITS**
- No change to existing provision
- Co-payment of medical benefits
- Imposing a cap of $X per employee per calendar year on claimable items

**IN-PATIENT BENEFITS**
- No change to existing provision such as the Group Hospitalisation & Surgical Medical Scheme
- Companies on “Self Insured” medical scheme may allocate a quantum per employee per calendar year to pay for hospitalisation expenses or to purchase a medical insurance package. Expenses incurred in excess of the quantum set for the re-employed may be co-paid by the employer.
- Company makes an additional contribution to the employee’s Medisave account. This is made in lieu of providing the in-patient medical benefit. It means that the employee will be responsible for his own medical expenses in the event of hospitalisation.
Leave Entitlement & Other Benefits

Existing employees who are re-employed do not need to serve the qualifying period to be eligible for annual leave and sick leave. Employers are encouraged to provide leave benefits to their re-employed employees that should not be less than what is provided to new employees.

They may also continue to enjoy other types of leave and employment benefits.

Example:

Company F in the banking sector insures their re-employed employees under their existing group hospitalisation and surgical medical insurance, as well as providing dental subsidy of $60 per annum. However, the company imposes a cap of $300 per year on the outpatient medical expenses. Prior to re-employment, the employees enjoyed unlimited claims for outpatient medical expenses.

Example:

Company G in the food manufacturing sector offers annual leave benefit ranging from 7 to 21 days, depending on the years of service of the worker. Re-employed workers continue to enjoy the same leave benefit as before.

Company H in the hospitality sector offers annual leave benefit ranging from 10 to 21 days, depending on the years of service of the workers. Upon re-employment, the employees were given 14 days of leave. This helps the company to manage the cost of the older workforce while recognising the years of service of the employees.
Recognising and Valuing Older Employees

After working in the company for so long, I hope that I’m still valued and my efforts are recognised.

Re-employed staff should be recognised and valued as an integral part of the organisation. Employers should continue to recognise and reward the re-employed employees.

Recognition is important

- It motivates and encourages re-employed employees to perform well
- It can be based on company and/or the employee’s performance

Examples of recognition

- Variable Bonus
- Productivity Bonus
- Incentive Bonus
- Long Service Benefits
- Gain Sharing Incentive
- One-off Bonuses
Employment Assistance Payment (EAP)

Example:
Company I in the healthcare sector gives re-employed employees performance bonus based on the company performance and individual performance. Re-employed employees are subject to yearly performance appraisal and can be promoted as well. In addition, re-employed employees continue to receive a loyalty-based award for every three years of service beyond retirement age.

What will happen if the company is unable to re-employ me after age 62?

Thanks! That will definitely make me happy and motivate me to give my ALL!
Employers shall explore all possible re-employment options to re-employ the eligible older employees. In the event where the company is unable to find suitable jobs for these employees, the employer should inform the employee as early as possible and share the reasons for not being able to re-employ the eligible employee.

Employers shall also offer a one-off Employment Assistance Payment (EAP) as prescribed in the guidelines. Employers should also assist the employee in his job search through industry partners or outplacement agencies.

**If company is unable to re-employ eligible employees.**

- Consider all possible options for re-employment
- If unable to re-employ — inform at least 3 months before age 62
- Pay a one-off Employment Assistance Payment (EAP)
- Assist with outplacement to another job

**What is EAP?**

This is a one-off payment for employees who are eligible for re-employment, but who do not receive an offer because of a lack of suitable jobs.

EAP is meant to help the employees concerned tide over a period of unemployment while they look for another job. The employer pays EAP as it is unable to fulfill the obligation to offer re-employment to eligible employees at 62 and/or while they are serving the re-employment contract.
EAP is not a retrenchment payment and should serve as a last resort when employers have exhausted all options of re-employment.

**How much is the EAP?**

The tripartite guidelines recommend an Employment Assistance Payment (EAP) ranging from $4,500 to $10,000.

**Guiding Principles for EAP**

- **$ 4,500 Minimum EAP**
  
  This provides employees, especially the lower wage ones, with financial help to tide over the job search period.

- **EAP Cap at $10,000**
  
  This moderates the financial burden on employers. It discourages employees from opting for EAP, and stopping work.

- **EAP amount is gradually reduced from 62 to 65**
When a company offers a **reasonable** re-employment contract but the employee chooses to reject the offer, the employee will not be eligible for the Employment Assistance Payment (EAP).

While employers are expected to offer re-employment, employees are encouraged to give due consideration to the offer to continue to work beyond retirement age.

**Outplacement Assistance**

In addition to EAP, employers are encouraged to assist the employees in getting employment elsewhere if they are unable to re-employ.

The employees concerned may also approach Employment and Employability Institute (e2i) and Community Development Councils (CDCs) for assistance.

Thanks, now that I understand how re-employment can be implemented, I can anticipate a call from my HR department with an offer of re-employment. I am looking forward to continue working, contributing positively, and leading a **Happy, Healthy, Productive and Purposeful Life!!**
Making Re-employment Sustainable – 5 focus areas
• Structured HR Policies on Re-employment
• Job and Workplace Re-design
• Performance-Based Remuneration
• Employability Training & Re-training
• Workplace Health Programmes
MAKING RE-EMPLOYMENT SUSTAINABLE — the 5 Key Focus Areas

To facilitate sustainable and scalable re-employment, companies are encouraged to adopt and implement the following 5 key focus areas:

- Structured Human Resource Policies on Re-employment
- Job and Workplace Re-design
- Performance-Based Remuneration
- Employability Training & Re-training
- Workplace Health Programmes
Structured Human Resource Policies on Re-employment

Companies should incorporate re-employment in their Human Resource Policies and adopt a pro-active and open communication approach to re-employment. The re-employment policy should include the following features prescribed in the Tripartite Guidelines on Re-employment of Older Employees:

- Planning and Preparing Employees for Re-employment
- The Re-employment Contract
- Recognising Contributions of Re-employed Employees
- Assistance for Eligible Employees who are not Able to be Re-employed

With clear HR policy on re-employment and open communication, employees will be able to plan and prepare early for working beyond the retirement age.

Job and Workplace Re-design

Companies should refine work processes and job scope to increase total productivity and job worth. Enhancement to work processes through automation, mechanization, process innovation and systems enhancement would raise total productivity and enable companies to leverage on the expertise and experiences of older employees.

In addition, companies could re-design the workplace to optimize the use of workspace and create an age-friendly environment so
that all employees, including older employees, could perform more efficiently and effectively in their jobs. Companies will also reap benefits of cost savings through better utilization of resources.

Further, companies could modify job scope to enable flexible work arrangements such as flexi-time and job sharing, to encourage older workers to continue working beyond the retirement age.

**Performance-Based Remuneration**

Companies should move away from a seniority-based wage system towards a wage system that is based on competency, job value, and performance.

A performance and competency-based reward system enables employers to reward employees based on their performance and competencies, and motivate employees to give of their best in their work and continue upgrading to improve their skills sets.

With this, age will no longer be a hindrance to re-employment as individuals are assessed based on their ability to perform their jobs.

**Employability training & Re-training**

Companies should continue to provide training opportunities for older workers so that they remain relevant and contribute effectively at work. Companies should also include pre-retirement planning programmes as part of the training plan to prepare workers to work beyond age 62.
Employers will reap benefits from a well-trained workforce that generates higher productivity and output. Similarly, employees should adopt an open mindset to continuous training and re-training to stay relevant and employable.

**Workplace Health Programmes**

A strong and healthy workforce is a valuable asset to companies. Companies should implement Workplace Health Promotion (WHP) programs to keep their workforce healthy so that they can give of their best at the workplace and remain re-employed beyond age 62.

Health issues can affect the performance of the employee and lead to higher medical costs for both the employee and the company. Companies should identify pertinent health issues at the workplace and implement regular workplace health programmes that help employees remain healthy and fit.

With a healthier workforce, employers can expect to have higher morale, reduced medical leave and better performance. It will also translate into cost savings from medical expenses that they might incur if the employees are sick or hospitalized.
National University Hospital (NUH)

From the Healthcare Industry, National University Hospital (NUH) is the only company that has been selected amongst 10 other companies for the Exemplary Employer Award for the year 2010. Aside from doing job-re-design at the workplace, NUH has also implemented a commendable re-employment policy aimed at addressing the needs of the re-employed employees. For NUH, employees of all age groups and nationalities are equally valuable. It appreciates their contribution to the company and their years of experience and knowledge. The NUH Human Resource policy is age neutral and is communicated to all employees. They are engaged early to determine their interest in re-employment.

NUH has adopted the tripartite guidelines on re-employment of older employees such as engaging retiring employees 12 months before their retirement and again at three months to offer re-employment or advise ineligible employees. This is enshrined in their Collective Agreement to legitimise the standard-operating-procedures practiced. Contracts are offered on a one-year renewable basis till age 65 and beyond. The criteria for re-employment in NUH are: Being medically fit for the job; and employees must not have been graded below “meets requirements” in the three years before retirement.
NUH does not make any downward revision to the employee’s salary at age 60 or 62. Annual leave is reset to 15 days which is that of a new employee at the similar job grade, with all other benefits remaining the same including medical benefits. There is no variation in salary if the re-employed employee is willing to perform the same job. If there is variation to the job scope in terms of reduction in job size then the salary of the re-employed employee at age 62 will be in accordance to the job size. Such salary compensation provides a more holistic and balanced adjustment to the re-employed’s remuneration package.

In addition to this, all re-employed employees are entitled to corporate variable bonus and individual performance bonus since they are also subjected to the annual performance appraisal. Employees graded as “exceeds requirements” and above can enjoy an increment just like all other employees with the same grading. On the renewal of the subsequent contract, employees can enjoy higher salary for the new term of employment. The intent is to recognise the effort, hard work and contribution made by these re-employed employees that had made the difference to the overall performance of the organisation.

“We value each and every one of our employees, and would want them to continue employment with us for as long as they are able. Our policy on re-employment is clearly communicated to our employees, to provide certainty for our employees”

– Ms Clara Wee, HR Director, NUH
Those employees nearing 62 are sent for the R.E.A.D.Y. program conducted by the Centre for Seniors. This is to prepare them adequately for re-employment.

With such a comprehensive policy for re-employment, NUH has been able to provide its retiring employees at age 62 with a productive, purposeful and happy re-employment.

**KEY LEARNINGS**

- NUH is able achieve a re-employment and retention rate of 100% for its employees.
- By communicating its policy to all employees, it enables them to prepare and plan early
- Its Human Resource policy emphasizes that re-employed employees are valuable assets to the company.
- It has incorporated the tripartite guidelines in its recent Collective Agreement to legitimize its commitment in the re-employment of older employees.
- It recognises the contribution made by the re-employed employees by rewarding them with performance bonuses that commensurate with performance grades. It also provides salary increment for workers who have performed well so that they too can look forward to higher salary for the subsequent contract renewal.
- NUH pays much attention on processes to be made age-friendly by fully tapping on available government funding support.
- It also invests in the training of re-employed employees to stay relevant to the process and technology change in its pursuit of continuous improvement.
One-third of SPC’s workforce is aged 50 and above, and half of them are stable assistants. Their responsibility is to take care of the approximately 130 horses located at the stable yard, and each stable assistant is required to take care of five horses. Their daily work includes walking and cleaning of the horses. Besides exercising on the sand track or covered arenas, the horses have to be walked twice a day for 20 minutes to an hour. During heavy rain, the external sand track can become muddy, creating a risk of injury to a horse’s lower legs and making exercise almost impossible. Thus, stable assistants have to lead or hand-walk the horses personally around the stable yard areas for the required time period instead. Besides being a time consuming task, older stable assistants might find it difficult and tiring to accomplish such a task efficiently and effectively.

Tapping on the ADVANTAGE! Scheme with the help of The Singapore Manual and Mercantile Workers’ Union (SMMWU), SPC has built a mechanized horse walker that enables the stable assistant to perform his job more efficiently.
and with less mental and physical fatigue. Firstly, horses are able to exercise themselves by walking along the machine’s circular track for a specified time period instead of being led around the yard by the stable assistants. Secondly, since the machine has the capacity to accommodate eight horses at a time, the stable assistant can walk more horses at the same time, thus increasing his work efficiency.

“A fair proportion of our employees are mature. The mechanised horse walker has taken a significant workload off the employees. We will continue to look at improvements in job processes because we want to give these employees their well-deserved respect and esteem so that they will feel better about the service they are providing”

– Mr Jimmy Toh, HR Manager, Singapore Polo Club

KEY LEARNINGS

- With the mechanized horse walker in SPC, the workplace has become more age-friendly.
- By automating a large portion of a manually intensive task, the re-employed employee is able to carry out tasks as efficiently and as well as any other employees.
- Job Redesign also adds value to the employee by upgrading his skills and thus adding value to his job which results in a higher salary.
- The employee is hence more productive and able to contribute in other areas at the workplace.
Seiko Instruments Singapore Pte Ltd

Seiko Instruments Singapore was established on 12 Sep 1973, the first overseas subsidiary of the Seiko Instruments Inc Japan. Their core activities include sub-assembly and assembly of mechanical and quartz watch movements, purchase and procurement of thermal printer parts, assembly of thermal printers, and marketing and sales of scientific instruments.

Seiko Instruments Singapore in partnership with the Metal Industries Workers’ Union (MIWU) collaborated on a wage restructuring initiative to move to a performance-based wage system from the seniority-based system. They came up with a new pay scheme; “job value and ability-based wage system”. The entire exercise took about 2 years to complete and was done in a gradual step-down manner to ease the impact of wage adjustment for the employees especially for the older ones.

In the new scheme, job value is determined by job function, authority, responsibility, required capability and expected results of each grade. Applied ability refers to abilities that have been demonstrated in the process of performing an assigned job. The employee’s grade will be evaluated to confirm or determine the new grade. The new salary shall be determined by the new grade. Variable bonus payment is paid.
twice yearly and is determined by the company’s performance and individual’s achievements.

“Under this wage system, employees are rewarded based on their job value and skills, and not by age or seniority. They can also work for longer as long as they have the requisite skills. This way, they are now more motivated as they are aware of what they need to do to earn more”

– HR Manager, Seiko Instruments Singapore

KEY LEARNINGS
• By moving to a performance-based wage system, Seiko Instruments Singapore was able to implement a non-age discriminatory wage system which allowed employees to be paid the job worth regardless of age.
• Salary is based on the job value and the ability of the employee.
• The performance-based remuneration allows Seiko Instruments Singapore to be cost-effective.
• With a performance-based wage system, re-employment of older employees is highly feasible and sustainable.
Qioptiq has a structured skills-matrix which identifies the relevant skills set an employee needs to provide multi-skilling opportunities to the employee. 434 (79%) of the production workers are multi-skilled so that they can be re-deployed to different areas as demand changes. Typically, a production worker is trained with three types of skills. The technicians, on the other hand, are trained to manage more sophisticated machines. This not only increases their overall work competency, but also makes the workforce more nimble and adaptable.

Qioptiq is an Approved Training Organisation for WSQ. The Skills Matrix system reflects the different competency levels of employees in the various skills sets. The Skills Matrix system is transparent and communicated to everyone. Where there are skills gaps, both the supervisors and the employees are encouraged to recommend training in those areas.
“As technology changes, there is a high chance that employees may get obsolete. However, this is not the case in Qioptiq as our employees are cross-trained and multi-skilled. We constantly update the inventory of skills sets, so that our employees can continue to remain relevant and employable”

– Mr Chua Teow Tzing, Managing Director, Qioptiq Pte Ltd

**KEY LEARNINGS**

- The skills matrix is a transparent tool that measures the skills level of the individual employee.
- All employees, no matter the age, will have opportunities to learn and apply various skills. This makes them more competent in multiple machines, and more flexible in adapting to different terms of work arrangements, especially in turbulent times.
- With the skills matrix, training and re-training now form an integral part of the employees’ job scope and forms the basis for continued sustainable re-employment of older employees.
- It also enhances the employees’employability and career development opportunities.
NatSteel Holdings’ vision to make a difference through its people can be seen in the inclusive way the organisation has planned and implemented its Workplace Health Promotion (WHP) Programme. Workplace health is integrated in the company’s mission and culture, such as its vision statement, the NatSteel Health Charter and its Human Resource strategies. An important component in its WHP programme is the targeted interventions for mature workers. Indeed, the organisation has found that keeping its mature workers in the pink of health has reaped benefits in the form of boosting productivity, ensuring low attrition rates, reducing absenteeism and preserving their mature workers’ knowledge and experience.

NatSteel’s mature employees respond readily to the annual health screening, cancer screening and vision screening offered. These screenings are usually free or heavily subsidised, and are conducted in-house for their convenience. The mature workers are also given time off from work to participate in these screenings. Subsidized exercise classes are conducted during lunch break and depending on their stamina, employees can opt from a range of activities such as yoga, low-impact aerobics or table tennis. Professional speakers, such as doctors and dieticians, are also engaged to conduct in-house educational talks on topics that range from healthy eating to promoting awareness of early screening and early detection and management of chronic diseases such as diabetes and hypertension. These talks are also held during lunch time during which healthy refreshments are provided for all participants.
In the event a mature worker is diagnosed with a chronic disease, a personal invitation will be extended to him/her to participate in relevant workshops and health talks. Special arrangements will be made with the affected employee’s supervisors for his/her release, and if necessary, the shift roster is also adjusted to facilitate his/her participation in the intervention workshops and talks. The company nurses help to counsel the employee and monitor his/her results for the next three to four months. To duly recognise the efforts put in, the most improved employees are featured in the company’s news bulletin.

“Having a WHP policy in Natsteel goes beyond just attaining a reduction in absenteeism rate. More importantly, it lends weight to our holistic programme which ultimately brings about a happier, healthier, more motivated and more productive workforce. This is what being an Employer of Choice is all about”

– Ms Liu Fang Joo, Chief Human Resource Officer and Senior Vice President Corporate Communications, Natsteel Holdings Pte Ltd

**KEY LEARNINGS**

NatSteel’s comprehensive WHP programme has resulted in more employees exercising, a drop in the number of employees with high cholesterol levels and diabetes, and reduced absenteeism.

- Proportion of staff exercising 3 times a week increased from 32.3% in 2006 to 35.5% in 2008
- Proportion of staff with high total cholesterol fell from 42% in 2006 to 34% in 2008
- Proportion of staff with diabetes decreased from 13.6% in 2006 to 9.3% in 2008
- Absenteeism rate has been reduced from 3.21 days in 2006 to 1.92 days in 2008
Q1. What is re-employment?

At present, most companies have a policy of retiring their employees at the official retirement age of 62. Re-employment will encourage employers to offer employment to workers beyond the age of 62.

Q2. Why should I continue working even after I have reached the retirement age of 62?

Life expectancy is increasing. About one in two who reach the retirement age of 62 are expected to live past 85. If you stop working at age 62, this means more than 23 years of retirement! Why not continue making contributions to your company and the economy by working past the age of 62 if you can?

With Singaporeans enjoying better health these days, most people are fit enough to continue working way past the age of 62. Working is also a good way of keeping your mind and body active.

With increasing life expectancy, working longer also makes financial sense by allowing you to earn a regular income. On top of your take-home pay, you’ll also receive CPF contributions and CPF interest, as well as the Workfare Income Supplement if you qualify. All these really add up!
For instance, if your gross monthly salary upon re-employment is $800, you would have received total income of $36,300 just by working another three years. If your gross monthly salary is $1,600, you would have received a total income of $60,900. For those earning $2,400 the figure is $91,300. In other countries, it is common for people to work past the age of 62. For instance, in Japan, more than five out of 10 of those aged 60 to 64 are employed. In Sweden, the figure is six out of 10. In comparison, only four out of 10 residents in that age group in Singapore are employed.

Q3. My company offers re-employment opportunities to its employees. How should I respond?

There are many good reasons as to why you should continue working even after reaching the official retirement age of 62. If your company offers re-employment opportunities, you should make the most of these opportunities! Companies may offer to re-employ employees in the same job. In some cases, employers may make adjustments to the wages of re-employed employees, to ensure wage competitiveness or to address seniority-based wage elements. Employees should be flexible and be prepared to accept that re-employment may entail such adjustments.

Under re-employment, employers may also offer employees a different job, at a different pay, or different work arrangements such as part-time work or flexible work arrangements. This allows companies to meet succession planning and other manpower needs, whilst benefiting from the contributions of re-employed employees.

Employees should be adaptable and willing to take on different responsibilities, as well as take up any additional training necessary to carry out their new duties.

If you are a union member and are unsure of how to respond to a re-employment offer you can consult your union officials for advice and assistance.
Q4. What about my medical and leave benefits?

Re-employment will allow you to continue enjoying medical benefits from your employer for a longer period. However, companies may introduce new arrangements on medical benefits for re-employed employees, to help manage the higher medical costs of older employees. For example, your employer may choose to make additional payments to your Medisave Account, which you can use to purchase Medishield insurance. Alternatively, you may have to co-pay a larger share of your medical claims. Your leave benefits may also be adjusted.

Q5. I want to be re-employed. What are the common criteria I can be expected to meet?

Re-employment will not be automatically offered to all workers who reach the retirement age of 62. Common criteria include:

- Work performance; and
- Medical fitness

You should therefore stay healthy and productive at work. It is also important that you continually upgrade and update your skills through training. You should take up any training opportunities offered by your employer. Even better; why not take the initiative to ask your employer for skills upgrading opportunities or attend training courses on your own? In addition, you can also increase your chances of re-employment by being flexible and keeping an open mind to change.

Q6. Who can I speak to about re-employment?

If you are approaching 62, your employer will discuss your re-employment options with you. This should be done at least six months
before you reach age 62. For more information, you should seek the advice of your union, supervisor or Human Resource department.

You can also find out more on re-employment at http://www.re-employment.sg.

Q7. What is the difference between the Tripartite Guidelines and the Tripartite Advisory?

The advisory was conceived more as a means to raise awareness among employers on good re-employment practices. The set of guidelines is more comprehensive as it sets out parameters and norms on how re-employment should be implemented. It offers practical solutions to help employers put in place the necessary systems and processes for re-employment, including pre-retirement planning, re-employment consultation, adjustments to wages and benefits, and the offer of employment assistance payment (EAP), among others. The guidelines will also continue to be in place even after re-employment legislation kicks in from 2012.

Q8. Why did the Government decide to enact re-employment legislation instead of raising the statutory retirement age?

Mandating re-employment on a new contract offers more flexibility than raising the statutory retirement age. It allows the employer and employee to work out an arrangement that takes into consideration their respective needs. For employers, re-employment allows them to tap on a pool of experienced employees in a cost-effective and sustainable way. Unions and employees also welcome the additional employment opportunities for the older employees. Older employees themselves should also continue to upgrade their skills and maintain good performance.
Q9. Would re-employment discourage employers from hiring mature employees?

Other than our efforts to promote re-employment of older employees, the tripartite partners are also working to enhance the employability of mature employees in their 40s and 50s. These employees should enhance their employability through training and upgrading. There are various schemes in place to encourage employers to better tap on our workforce, and to benefit from the valuable contributions that experienced and mature employees bring to their work. For example, employers can tap on the ADVANTAGE! scheme to obtain up to $400,000 in grants to redesign their job processes and/or develop good HR practices that will help them recruit, retain and re-employ mature employees. Mature or older employees who are out of employment may approach e2i or WDA’s Career Centres for employment assistance.

Q10. How will the Government help employers implement re-employment practices?

Companies can tap on the ADVANTAGE! Scheme for assistance. It offers a financial grant of up to $400,000 to support initiatives in implementing HR systems, and changes to working environments and business and operational processes that directly boost the recruitment, retention and re-employment of mature employees. Employers can also attend the PREPARE Programme offered by ASME, or the WSQ HR Re-employment Specialist course offered by SNEF to equip themselves with the skills and knowledge to implement proper re-employment strategies within their organisations.

Q11. Where can employers seek help on implementing re-employment for their organisations?
The tripartite partners have put together several resources available for employers. Employers can visit the website http://www.re-employment.sg for information on implementing re-employment. In addition, there are training courses on re-employment available for employers and HR personnel, such as the Association of Small-Medium Enterprise’s Programme for Re-Employment Practices: A Roadmap for Employers (PREPARE) and workshops conducted by the Singapore National Employers’ Federation.

**Q12. In assessing an employee’s eligibility for re-employment, how should employers assess whether an employee is “medically fit to continue working”?**

Medical fitness should be assessed objectively, and in relation to the job requirements. An employee should be considered medically fit to continue working as long as his health will not affect his performance on that job. An employer should only deem an employee to be medically unfit to continue working after a proper medical assessment has been made.

For example, an employee with a medical condition that has no impact on performance should meet the medical fitness criterion. An employer should not unilaterally deem a worker to be medically unfit to continue working without a proper medical assessment.

**Q13. What can employers do to help their employees stay healthy so that they stay employable?**

Employers can seek support from the Health Promotion Board (HPB) to implement a holistic and comprehensive Workplace Health Promotion (WHP) programme that incorporates the key pillars of healthy lifestyle, i.e. promoting physical activity, healthy eating, smoking cessation and mental well-being. HPB also provides
guidance on creating a conducive environment (e.g. healthier canteens) and supportive organizational policies at the workplace. In addition, employers can tap on HPB’s Workplace Health Promotion Grant to fund their WHP programmes. The Grant offers 50% funding of up to $10,000 to support WHP training, services and activities. For Small and Medium Enterprises (SMEs), the Grant co-funds up to 90% of the programme cost, up to $10,000. Employers may refer to www.hpb.gov.sg/healthatwork for information on the “Essential Guide to Workplace Health Promotion” and WHP Grant.

Q14. In assessing an employee’s eligibility for re-employment, how should an employer assess whether he/she has given “satisfactory performance”?

Satisfactory performance refers to the minimum level of performance any employee is expected to maintain in discharging his duties. In assessing the eligibility of an employee for re-employment, employers may take into account the employee’s performance for the past 2-3 years.

Q15. If an employer does not make any re-employment arrangements when an employee reaches the statutory/contractual retirement age and allows the employee to continue to be employed on the same job and employment terms, could the employer offer a new re-employment contract based on the principles outlined in the Tripartite Guidelines subsequently (say 6 months later)?

Yes. Employers that did not offer an employee re-employment at the outset (i.e. at statutory/contractual retirement age) could subsequently offer him/her a formal re-employment contract based on the principles of the Guidelines and on mutually agreed employment terms and benefits (including duration of contract).
Q16. According to the Tripartite Guidelines, the “mid-point of the salary range of the job” is a possible reference for wage adjustments. What does this mean?

Salaries should be based on the value of the job and the contribution of the employee and take into account any earlier wage reduction at age 60, if any. Employers with seniority-based wage systems may adopt the suggested principles on wage adjustments in the Tripartite Guidelines to determine the wages offered to re-employed employees. For instance, if the salary range of the employee’s current job is $1,500 to $2,500, and the employee is at the top of the salary range, his employer can offer a re-employment wage that is at the mid-point of this range, which is $2,000.

However, employers may, in consultation with employees and unions where appropriate, deviate from this principle, taking into account the size of the seniority-based wage component.

Q17. If an employee is offered the same job upon re-employment, should the employer cut his/her wage?

Wages should be based not on age, but on job worth, scope, performance, productivity and other reasonable factors. Employers should also take into account the extent of the seniority element in the wage structure as well as any earlier reduction made (e.g. when the employee reached age 60) in deciding to make any wage adjustments.

Q18. What is considered a reasonable re-employment offer?

Whether a re-employment offer is considered reasonable depends on many factors, including whether there has been adequate re-employment consultation and the extent of adjustments in
wage and benefits to reflect the value of the job. Early and open communications is key to ensure smooth implementation of re-employment. Employers should exercise flexibility and fairness in designing jobs and remunerating older employees. They should also implement competitive wages based on job worth, performance and productivity. On the other hand, employees are encouraged to be flexible in working out re-employment arrangements with their employers and to be open to go for training so that they can take on new job arrangements and continue to stay employed.

Q19. What should employees do if they feel that the re-employment offer is unreasonable?

Employees are not obliged to accept an unreasonable re-employment offer. They may seek advice and assistance from their union or MOM where appropriate. Employees are advised to make their job preference known during the re-employment consultation process, and employers are advised to refer to the Tripartite Guidelines in making re-employment offers.

Q20. Why should employers pay Employment Assistance Payment (EAP)?

While the main objective of re-employment legislation is to create employment opportunities for older employees, we recognise that some employers may not be able to find suitable jobs for employees eligible for re-employment. Employers should offer EAP that is not too low i.e. an amount sufficient to tide employees (especially the low-wage workers) over a period of time while they look for another job. On the other hand, the EAP quantum should not be too high as it will increase the financial burden on employers and may discourage employees to stay employed beyond the age of 62.
Q21. If the employer is unable to offer re-employment but has assisted to secure an alternative job for the employee in another company, will the employer still be required to offer EAP?

The objective of the EAP is to tide employees over while they look for alternative employment. Therefore, the employer need not offer EAP if the employee accepted the job offer in another company based on the understanding that his previous employer has helped him secure the alternative job. Nevertheless, employers may help their employees find alternative employment in addition to offering EAP.

Q22. Will employers be required to renew the re-employment contract or offer EAP to employees who are not eligible (i.e. non-satisfactory performance or medically unfit to work)?

Employers would not be required to renew the re-employment contract or offer EAP to employees who are not eligible for re-employment. However, employers are advised to inform these employees early (at least 3 months before retirement) so that they have sufficient time to look for a new job. In addition, we encourage them to help affected employees by offering employment assistance such as career counselling to help them prepare for new jobs elsewhere, or outplacement services to help them look for another job.

Q23. Will employers be required to provide EAP to employees who reject the re-employment offer?

The purpose of the EAP is to help eligible employees who were not offered re-employment tide through the period when they are looking for alternative employment or undergoing training and reskilling. Hence, employers are not required to pay EAP if they have made a reasonable offer of re-employment to their employees.
Q24. Will the EAP be taxable or be subject to CPF contributions?

As the EAP is not regarded as income earned, it will not be taxable as income and will not attract CPF contributions.

Q25. Can the EAP be paid in installments?

The tripartite guidelines encourage employers to offer a one-off EAP to eligible employees who could not be re-employed. Nevertheless, as long as employers and employees can reach an agreement, they can adopt other payment arrangements for the EAP (e.g. by paying EAP as installments over say 3 months).

Q26. Would employers be required to pay EAP to employees who are paid gratuities?

Employers who provided gratuity payments to retiring employees are not exempted from the EAP requirement. The objectives of the EAP and gratuity payment are different given that the EAP is meant to tide workers through the period of unemployment while they look for alternative jobs whereas the gratuity payment can serve as a form of retention or recruitment benefit. Nonetheless, employers may take into account the gratuity payments when determining the amount of EAP to be paid to their employees.
Appendix 2

SUGGESTED RE-EMPLOYMENT PROCESS FOR ORGANISATIONS

Before Age 61:
- Pre-retirement Planning – In preparation for golden years
- Training and Re-skilling in preparation for re-deployment
- Human Resource to highlight criteria for re-employment and advise if any issues

At Age 61:
- Discussions with Human Resource, Supervisors and union to understand employee's needs
- Pre-Employment counselling for staff
- Manage expectations on re-employment contract (Changes to wages, terms and benefits)

3 Months Before Age 62:
- Detailed re-employment contract to be offered to staff for consideration
- Inform staff who do not qualify for re-employment
- Written confirmation from staff who choose to reject re-employment

Re-employment at age 62:
- Re-employed on a 3-year contract up to age 65 renewable yearly
- Re-employed on a 1-year contract till age 65 renewable yearly
- Employment Assistance for those not offered re-employment
Appendix 3

**SAMPLE RE-EMPLOYMENT POLICY**

In accordance with Retirement Age Act and the Re-employment Guidelines, the company shall provide re-employment to all employees who will be reaching the age of 62 subject to the following criteria:

a. Employee must be medically fit for the job and to continue working;

b. Employee must have satisfactory or above work performance. (To state the performance rating)

The company shall provide pre-retirement planning before age 62 and re-employment counselling not less than six (6) months prior to the employee reaching the age of 62.

Employees who are eligible for re-employment with the company shall be offered re-employment in one of the following job arrangements:

a. Re-employed in the same job; or

b. Re-employed with modifications to the existing job or re-deployed to a different job; or

c. Re-employed on flexible work arrangements, such as part-time or job-sharing.

The duration of the re-employment contract will be as below:

a. Re-employment for 3 years till age 65; or

b. Re-employment year by year till age 65
We will offer the opportunity for employees to reach a mutual agreement on the revised terms and conditions of their re-employment contract. The revised re-employment terms and conditions offered to the employee shall take into consideration terms equitable to the employee but also cost competitiveness for the company.

In the event that we are not able to offer re-employment to eligible employees, we will provide employment assistance to the employee as follows;

a. A one-off Employment Assistance Payment (EAP) (To State quantum)

b. Assist employee with employment assistance with a job placement agency

In the event of a dispute, the employees can raise the matter with the union for assistance or refer the matter to Ministry of Manpower for mediation.
It is important to start planning your golden years early...

Use our retirement planning checklist to help you look at your retirement readiness and plan your golden years.

Hope you find it useful in planning ahead.

EMPLOYEES’ RETIREMENT PLANNER

Retirement Readiness

Have I budgeted sufficiently for my retirement’s financial needs?

- What are the estimated annual expenses required during retirement? Have you considered and set money aside money for the following;
  
  o transport, utilities and household expenses, maid, allowances for dependents, taxes, food and other necessities.
  
  o Children’s education, Mortgage/rental repayments, Insurances or other unexpected expenses.
- What are the total savings that I have? Are there any other sources of income?

- Is the amount in my CPF accounts sufficient to last me during my retirement?

- What is the estimated amount of extra money required to cover my retirement needs?

- Do I have enough savings or insured sufficiently to pay for my own and my dependents’ medical expenses?

You may refer to the retirement savings calculator on CPF board’s website (http://www.cpf.gov.sg) to estimate the amount of savings you will need for your retirement.

You can check the average medical costs on Ministry Of Health’s website http://www.moh.gov.sg

**What do I want to do after retirement?**

- First 3 months after retirement
- 3-6 months after retirement
- Beyond 6 months after retirement

……...and do I have sufficient money for them?
What can I do if my initial plans are not sustainable, do I have any alternatives?

What are the options that I can consider?

- Re-employment options
  - Full time Work
  - Flexible Work Arrangements e.g. Part Time Work, flexi-time, job sharing, etc.
- Voluntary work
- Taking care of my grandchildren
- Skills upgrading
- Pursue my hobbies
- Join exercise classes to keep fit

Have I shared my plans for after retirement with my family, friends and close ones?

What will my daily routine be like after my retirement? Do I have a schedule that I can follow?

If I wish to continue working, have I discussed my plans to take up re-employment with my employer?

If I’m considering re-employment, these are the issues which I need to consider:

- Have I discussed with my employer on the jobs that I can do when I am re-employed?
- Am I prepared to do a lower level job, a same/different job and with a variations to my wages?
- Am I prepared to re-train, if necessary?
- Should I work part time or on a flexible work arrangement?

It is always helpful to plan early. By going through the above questions, it helps you to assess your retirement readiness and know where the gaps are in your financial plans.

Remember, Re-employment will not only help you lead a Happy, Healthy, Productive and Purposeful life, but also give you more time to build up your finances.
PERFORMANCE MANAGEMENT TIPS

EMPLOYEES

1. Seek understanding and acceptance of performance expectations.

2. Clarify any doubts and suggest areas for modifications to enhance performance effectively and efficiently.

3. Review how to stay relevant and updated to meet performance expectations by examining the necessary competencies to acquire.

4. Discuss these with the supervisors.

5. Understand how your performance is being monitored and measured.

6. Seek clarifications along the journey to ensure your performance is on track.

7. Take note and act upon feedback.

8. Seek and understand periodical performance feedback.

9. Discuss with supervisors areas for enhancing performance.

10. Take note of any critical events and actions to be taken.
11. Ask and attend training when necessary.


13. Take note of how to perform better the next time something similar needs to be done.

14. Aim to work effectively and efficiently.

Performance Management is not only the employers’ responsibility. Employees must also take ownership of their performance and be able to demonstrate their competencies together with outcomes.
Appendix 6

PERFORMANCE MANAGEMENT TIPS

EMPLOYERS
(THROUGH TRAINED SUPERVISORS)

1. Set clear, specific performance expectations which include required output, outcome, results, measurement and timeframe.

2. Review the necessary competencies of employees to meet the performance expectations.

3. Work out action plans to equip the employees to meet the performance expectations.

4. Establish performance milestones and check-points.

5. Communicate them and assist employees to meet expectations.

6. Undertake actual observation and measurement with timely feedback.

7. Provide regular feedback to the employees on their performance.

8. Provide assistance to the employees to bridge performance gaps or to enhance performance levels.

9. Document all feedback provided and act on any necessary follow-ups.
10. Provide training, coaching and developing activities to employees when necessary to enhance performance.

11. Solve performance problems by identifying the actual root causes objectively.

12. Involve employees in enhancing performance.

13. Recognise, endorse and assure employees on their performance deliveries.

14. Provide assistance and clarification as and when necessary to meet performance expectations.

15. Document all critical events in the performance journey to review at the appropriate time.

Performance Management does not start and stop at a specific age. It is a continuous process to improve the employees performance and competencies in his career in the organisation.
Appendix 7

Employers’ Self Check on An Age-Friendly Working Environment

Organisational Climate
1. Does the company conduct age audits to find out the workforce age profile and address the constraints in employing older employees?

2. Have you received feedback from your older employees on the following:
   - Their views of the company policies relating to older employees; and
   - Their satisfaction level in their jobs and working conditions?

Inclusive Workforce
3. Are you able to capitalise on the strengths of older employees in work teams, where their experiences and good work habits will have a positive impact on performance?
4. Is there an inclusive environment that allows older employees to stay engaged and be part of project teams or work committees? Is there open collaborative communication where older employees’ views and opinions are considered during the discussion process?

5. Do line managers, middle management and supervisors have the perspectives of a multi-generation workforce in addressing issues at the workplace? Do they adopt a positive view of older employees? Do they give due recognition and respect to older employees?

**Performance-Based**

6. Do you provide equal opportunities for all employees regardless of age and, that such opportunities are based on individual competencies?

7. Do you ensure that performance appraisals, as well as human resources procedures and processes are based on individual skills, experience and ability to perform the job? There is no discrimination for any age group of employees. Each individual’s contributions should be respected and valued.

**Training and Re-training**

8. Does the company continue to train its older employees?

9. Are your training methods suitable for older employees?

**Job Arrangements**

10. Are you able to provide flexible work arrangements like part time work, telecommuting, job sharing for older employees who wish to continue working beyond retirement age?
**HR Policies**

11. Do you engage the employees early on their re-employment arrangements, competencies, training, as well as re-employment eligibility? This should be no less than 6 months prior to re-employment.

12. Do you inform employees at least 3 months before age 62 as to whether you are able to offer them re-employment?

13. Does the company have programs like retirement planning workshops/seminars for employees to prepare them for re-employment?

14. Does the company have a structured re-employment process in place?

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*Older employees are a valuable source of manpower for employers. Older employees with their knowledge and experience can contribute positively to the companies.*

*Employers are encouraged to make their workplace age-friendly. This will enable our older employees to continue working in a safe and conducive environment.*
If ageing is to be a positive experience, it should begin with staying physically healthy and mentally fit. Adoption of a healthy lifestyle can help to reduce the risks of chronic conditions such as heart diseases, cancers, diabetes, high blood pressure and mental illnesses. This will also enable you to be a more productive worker with a better quality of life as you contribute actively and meaningfully both to the economy and the community.

Living healthy isn’t just about getting enough exercise and eating right, it involves making improvements to your current lifestyle and making the right health choices to increase your overall well-being – both physically and mentally. For a start, consider the following lifestyle choices:

**Engage in Regular Physical Activity**

- There are tremendous benefits for older persons when they engage in regular physical activity. Studies have shown that physical activity reduces the risk of chronic diseases, lowers the rate of mortality and reduces functional decline.

It is recommended that older adults accumulate 150 minutes of moderate-intensity aerobic activity (this refers to activities that raise your heart rate and make you sweat) over a week. Each bout of moderate-intensity aerobic activity should last at least 10 minutes.

In addition to aerobic activity, older adults should also engage in muscle-strengthening activities on two or more days a week that work all major muscle groups (legs, hips, back, abdomen, chest, shoulders, and arms).
Employers can support and provide the platform for such regular physical activities, by organising activities like weekly walks, aerobics, yoga classes and regular games sessions. This will benefit not only older employees, but the whole workforce. Such activities do not only provide employees with opportunities to keep fit, but enhances team bonding and camaraderie as well.

Healthy Eating

- Healthy eating means having a balanced diet that is rich in fruit, vegetables and whole grains while limiting fat, cholesterol, salt and sugar in the diet. It also involves eating different types of food in the right amounts without overeating. For more information on healthy eating, please visit Health Promotion Board’s website at www.hpb.gov.sg.

Healthy eating is also important in the management of diseases as medication alone is usually insufficient for good control of the disease(s). For instance, high blood pressure can be better controlled together with a healthy lower-salt diet.

Employers can advocate healthy eating by implementing catering policies or guidelines to ensure employees are provided with healthier food choices. They can also create a supportive environment by providing educational information and activities which will encourage healthier dietary practices – e.g. by having ‘Fruit Days’ and ‘Healthy Eating’ campaigns.

Quit Smoking

- If you are currently smoking, the best thing you can do to improve your well being is to quit smoking. Every time you smoke, you
inhale over 4,000 chemicals and over 40 cancer causing toxic agents. Smoking increases your risks of heart diseases, stroke and chronic obstructive pulmonary lung diseases.

Quitting smoking also helps you to save money which could be put to better use for your family.

Employers are encouraged to review common health concerns in the organisation and take appropriate measures to manage them.

If smoking is a big concern in the organisation, employers can play a proactive role by helping employees who smoke to quit smoking. This can be done through various ways, such as educational talks, smoking cessation programs, and reward programs to motivate employees to stop smoking.

**Mental Well-Being**

- Mental well-being is a healthy state of the mind, which contributes to an individual realising his own abilities, coping with the normal stresses of life, working productively and being able to contribute to his or her own community. Mental well-being can be nurtured by adopting positive mental health practices such as learning to adapt to life changes, staying socially connected and not being afraid to seek help when you require assistance.

Employers are encouraged to raise awareness of the importance and benefits of mental well-being through activities such as lunchtime talks or emails to employees containing tips on how to de-stress and be happy. Employers can also have in place a support system consisting of counsellors or a dedicated contact person whom employees can approach when they need help.
Go for Regular Health Screening

• Early detection through health screening of common chronic diseases like diabetes, high blood pressure and high blood cholesterol allows you to prevent or delay the onset of severe health complications as well as minimise high medical expenses. The risk of getting one or more of these chronic conditions increases especially after the age of 40 years.

Visit your family doctor and ask for a health screening for chronic diseases if you have not already done so.

Managing your Chronic Diseases

• Chronic diseases are lifelong conditions. However, with proper management and control, the risk of complications can be reduced. If you are diagnosed with chronic diseases, follow up regularly with your family doctor. Monitor your condition and comply with the medication prescribed by your doctor.

Continue to adopt a healthy lifestyle by engaging in regular physical activity, eating healthily, quitting smoking and nurturing a mental well being.

Employers are encouraged to conduct regular basic health screenings for their employees. This is important as it provides a tool for employees to know and monitor their own health risk factors, and take steps to maintain or improve their health. At the same time, it is also useful for employers, as they would be able to know the health profile of their employees, and implement appropriate Workplace Health Promotion (WHP) programmes, including chronic disease management programmes, to ensure their employees remain healthy and fit.
TRIPARTITE GUIDELINES ON THE RE-EMPLOYMENT OF OLDER EMPLOYEES

Introduction

1. As part of its efforts to help older employees remain economically productive, the Government will enact re-employment legislation by 2012 to enable more people to continue working beyond the current statutory retirement age of 62, up to 65 in the first instance and, later, up to 67. This change, accompanied by increased Workfare Income Supplement (WIS) for older, low-wage workers, will complement the CPF Minimum Sum Draw-Down-Age (DDA), which will progressively be raised from 2012.

2. Formed under the aegis of the Tripartite Committee on Employability of Older Workers (“TriCom”), the Tripartite Implementation Workgroup (TIWG) aims to help companies put in place the necessary processes and systems for re-employment to work. The TIWG released the Tripartite Advisory on the Re-employment of Older Workers (“Advisory”) in April 2008 and has been encouraging employers and employees to adopt the Advisory. Taking into account the feedback obtained on the Advisory, the TIWG has updated and expanded the Advisory into Tripartite Guidelines on the Re-Employment of Older Employees (“Guidelines”) to better prepare employers and employees for the re-employment legislation.

3. Under the Guidelines, the TIWG has identified good re-employment practices that employers should consider adopting in the following areas:
Planning and preparing employees for re-employment
  a. Identifying eligible employees for re-employment
  b. Re-employment planning and consultation
  c. Job arrangements for re-employment

The re-employment contract
  d. Offer of re-employment
  e. Duration of re-employment
  f. Adjustments to wages and medical and other benefits
  g. Termination with notice

Recognising the contributions of re-employed employees

Assistance for eligible employees whom employers cannot re-employ.

Planning and Preparing Employees for Re-employment

4. Employers, in consultation with the unions, are encouraged to take a long-term view in planning and preparing employees for re-employment. Employers should see older employees as a source of quality manpower and recognise the value of making the workplace age-friendly. At the same time, employees have to see the benefit of staying employable, and should be flexible and adaptable so as to continue to contribute to the organisation.
**Identifying eligible employees for re-employment**

5. Employers should aim to re-employ the majority of their older employees. As a good practice, employers should offer re-employment contracts to all employees who are medically fit to continue working and whose performance is assessed to be satisfactory or above.

**Re-employment planning and consultation**

6. Employers should engage employees (in consultation with unions for unionised companies) on re-employment issues as early as possible, not less than 6 months prior to re-employment. This can be done as part of the regular performance appraisal process. The discussions should cover possible re-employment arrangements, the competencies and training they may require should they be re-deployed to a different job, and the pay and benefits employees can expect upon re-employment. For employees who fall short of the re-employment eligibility criteria in paragraph 5, employers should inform them about the need to improve their performance at this stage.

**Job arrangements for re-employment**

7. There should be flexibility in the job arrangements for re-employed employees. Employers may wish to consider adopting the following arrangements:

   a. Re-employing employees in the same job, with appropriate adjustments in wages and benefits based on reasonable factors, where necessary; or
b. Re-employing employees with modifications to their existing jobs or re-deploying them to different jobs on renegotiated terms; or

c. Re-employing employees on other work arrangements mutually agreed between both parties.

8. Where the job scope will be modified or the re-employed employee is expected to take on a different position, the employer should inform and prepare the employee in good time. Where applicable, adequate training should be provided to the employee well ahead of his re-employment to help him ease into his new role.

9. On their part, employees should keep an open mind about the re-employment options presented by the employer. This will allow employees and employers to reach mutually agreeable arrangements that meet the needs of both parties.

The Re-employment Contract

10. The re-employment contract should allow employers flexibility in re-employing older employees and at the same time, provide employees certainty and reasonable employment terms based on the value of the job and the employees’ years of service.

Offer of re-employment

11. Employers should offer re-employment contracts to eligible employees at least 3 months before retirement to allow
sufficient time for the employees to consider the offer. The terms and benefits of re-employment contracts can be the same as those prior to re-employment, or different, subject to mutual agreement.

12. Similarly, employers are encouraged to inform employees who do not qualify for re-employment at least 3 months before retirement, so that they can better prepare for retirement or seek other employment opportunities. Eligible employees who do not wish to continue working after they retire are also encouraged to inform their employers at this stage. This will enable employers to plan job deployment and manpower costs with greater certainty. To avoid disputes, employers are advised to obtain written confirmation from eligible employees who do not wish to be re-employed.

13. Employees who continue to be employed beyond the statutory retirement age or contractual retirement age (whichever is higher), without formal re-employment arrangements, could be considered as being re-employed with the same terms as those prior to re-employment. The intent is to provide a simple way for employers to continue to employ or re-employ their employees beyond the statutory retirement age. This arrangement is supported by the tripartite partners and is aligned with the long-term national objective of raising the effective retirement age.

**Duration of re-employment**

14. To provide greater certainty for employees, employers should offer them 3-year re-employment contracts, up to the age of
65. Alternatively, employers could re-employ employees on a term contract of at least one year, renewable up to the age of 65, so long as the employee continues to meet the eligibility criteria in paragraph 5.

**Adjustments to wages, and medical and other benefits**

15. Employers and employees are encouraged to be flexible in negotiating re-employment terms and benefits. Where appropriate, employers may make reasonable adjustments to the employment terms of re-employed employees, including wages and benefits. When making any adjustment, employers should consider the impact on the income of re-employed employees, particularly the low-wage workers. To take into account business requirements and the need for leadership renewal, greater adjustments may be warranted for employees who previously held a larger or more senior job.

16. The following principles on adjustments to wages, medical and other benefits are intended to help companies move away from seniority-based wage systems to job-based and performance-based wage systems, as well as to help them manage the higher cost of medical and other benefits of an older workforce.

**Wages**

17. Upon re-employment, employers may wish to consider the following principles on wage adjustments, taking into account the extent of the seniority element in the wage structure:
a. Where the employer’s offer is to retain the employee in the same job, the wages can be adjusted down to the level of a younger employee with the requisite experience and competency for the same job, with the mid-point of the salary range of the job being a possible reference. In making any wage adjustments for re-employment, employers should take into account any earlier reduction made when an employee attained 60 years of age, as well as reasonable factors such as productivity, performance, duties and responsibilities and wage system;

b. Where re-deployment in another job is offered, the new wage should take into account the value of the job, the employee’s relevant experience and other attributes.

18. Employers may adapt these principles to suit their particular circumstances.¹

**Medical Benefits**

19. Where medical costs are a concern, employers may wish to consider the following arrangements on medical benefits:

a. Co-payment of medical benefits for re-employed employees;

b. Appropriate caps on medical benefits claimable; or

c. Employers providing additional Medisave contributions for employees to pay Medishield premiums, in lieu of providing for in-patient medical benefits.

¹ An example of this would be where a salary range for the job may not exist, or where the employee is earning a wage that is below the maximum of the salary range. In such cases, employers can adapt paragraph 17(a) and adjust wages using the mid-point between the starting salary of the worker’s current job and his present salary as possible reference.
Leave Entitlement and Other Benefits

20. Given that employees who are re-employed have served the organisation over the years and have performed satisfactorily, they should not be required to serve the minimum qualifying period to be eligible for employment benefits such as annual leave and sick leave.

21. To maintain internal equity when offering re-employment benefits, employers should consider the employment benefits of other staff (including new employees) whose job responsibilities and conditions are similar to those of the re-employed employee.

Termination with Notice

22. Employers and employees may exercise normal termination with notice in accordance with their employment contracts. Re-employed employees who feel that they were unfairly dismissed may appeal to the Minister for Manpower for reinstatement or compensation.

Recognising the Contributions of Re-employed Employees

23. Employers should recognise that re-employed employees are an integral part of the organisation. They should, where appropriate, continue to reward re-employed employees based on company and individual performance in the form of performance bonuses, long service benefits, gain-sharing incentives or one-off bonuses. This recognition will help to incentivise and motivate these employees to perform well.
Assisting Eligible Employees whom Employers are Unable to Re-employ

24. To enable eligible employees to continue to contribute to the organisation upon retirement, employers should consider all available re-employment options within their organisation and identify suitable jobs for eligible employees. Employers who cannot find suitable jobs for eligible employees should inform their employees as early as practically possible.

25. Employers should offer eligible employees a one-off Employment Assistance Payment (EAP) if they are unable to find suitable jobs for them. This is to tide these employees over a period of time while they look for alternative employment. The amount of EAP should be guided by the following principles:

a. There should be a minimum EAP amount to help the low-wage workers as they may have greater difficulty seeking alternative employment and could be adversely affected if they are not re-employed. A minimum EAP amount of $4,500 could be considered.

b. There should be a maximum EAP amount to moderate the financial burden on employers and to prevent the EAP from encouraging employees to stop working. A cap of $10,000 could be considered.

c. To take into account the employer’s obligation to re-employ eligible employees up to age 65, the EAP should decrease over time as this obligation diminishes as the employee approaches the age of 65 years.

d. For employees nearing age 65, the amount of EAP should not be greater than the salary payable for the remaining period of employment up to age 65.
26. It is recognised that it would be more difficult for employers to re-employ senior management staff due to the need to facilitate leadership renewal and organisational change. In addition, as senior management staff have more options than other employees, the EAP would be an appropriate alternative if re-employment is not feasible.

27. In addition to the EAP, employers are encouraged to provide outplacement assistance to help eligible employees whom they cannot re-employ find alternative employment.

28. As employees who are re-employed have already reached the statutory (or contractual) retirement age, the issue of retrenchment benefits does not arise. However, as this group of employees would find it difficult to secure new jobs if they are retrenched, employers should offer financial assistance (using EAP as a reference) to help tide them over while they look for alternative employment.

**Conclusion**

29. As Singapore’s population and workforce rapidly ages, there is an urgent need to tap into the valuable skills and experience of older employees. Employers are urged to implement the Guidelines even before re-employment legislation comes into effect. On their part, employees are encouraged to be flexible in working out re-employment arrangements with their employers, so that they can continue to contribute to their organisations and earn a regular income. This will better prepare both parties for the new legislation, provide employment opportunities to employees beyond the statutory retirement age, and raise the effective retirement age of employees in Singapore.
RESOURCES

Centre For Seniors

DESCRIPTION

A centre focusing on developing and delivering high quality training programmes for older adults that promote their continuous employment, and offering training programmes for human resource personnel, management and union leaders to enhance their knowledge and skills to manage older workers more effectively.

CONTACT

Centre For Seniors
9 Bishan Place
#10-02 Junction 8 Office Tower
Singapore 579837
Tel: 6478 5015
Fax: 6258 6533
Email: admin@centreforseniors.org.sg
Website: http://www.centreforseniors.org.sg
**CPF Board**

**DESCRIPTION**
Good financial calculators for your planning needs

**CONTACT**

**Central Provident Fund Board**
CPF Building
79 Robinson Road
Singapore 068897
Email: cpfboard@cpf.gov.sg
Website: http://www.cpf.gov.sg

**CPF Call Centre**
1800-227-1188
Fax: 6225-8732

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**Employment and Employability Institute (e2i)**

**DESCRIPTION**
e2i is a one-stop, skills-based institute that brings together workers, employers and training providers with the objectives of enhancing the employability of workers, and promoting industry re-development and job re-creation. Working with like-minded partners, e2i connects with employers to address their manpower needs. e2i also engages training providers to develop and deliver customised training to enhance the productivity and employability of workers though skills re-training and skills upgrading.

**CONTACT**

**e2i**
141 Redhill Road, Block A #01-01
Singapore 158828
Tel: 6474 0606
Website: http://www.e2i.com.sg
RESOURCES

Health Promotion Board (HPB)

DESCRIPTION
For more information on WHP programmes, available subsidies and how to keep healthy

CONTACT
Health Promotion Board
3 Second Hospital Avenue,
Singapore 168937
Tel: 6435 3500
Fax: 6438 3848
Email: hpb_mailbox@hpb.gov.sg
Website: http://www.hpb.gov.sg

RESOURCES

Ministry of Manpower

DESCRIPTION
For information on labor laws and information on the Employment Act

CONTACT
Ministry of Manpower
18 Havelock Road
Singapore 059764
Tel: 6438 5122
Fax: 6534 4840
Email: mom_lrd@mom.gov.sg
Website: www.mom.gov.sg
RESOURCES
Money Sense

DESCRIPTION
Free financial tips and budgeting tools for your use.

CONTACT
MoneySENSE Secretariat
MAS Building
10 Shenton Way
#24-00
Singapore 079117
Email: consumers@mas.gov.sg
Website: www.moneysense.gov.sg

RESOURCES
NTUC

DESCRIPTION
A direct link to the Labour Movement for the latest updates.

CONTACT
NTUC CENTRE
No 1, Marina Boulevard
#11-01, One Marina Boulevard
Singapore 018989
Email: membership@ntuc.org.sg
Website: http://www.ntuc.org.sg

NTUC Hotline: 6213 8008
Fax: 6327 3740
**RESOURCES**

**PREPARE Community**

**DESCRIPTION**
Collaboration between NTUC and ASME supported by WDA, the PREPARE Community assists companies to further intensify their Re-Employment Efforts through interactive workshops and seminars.

**CONTACT**
PREPARE Secretariat
Tel: 6513 0364
Fax: 6513 0399
Email: member@preparecommunity.com
Website: http://www.preparecommunity.com

**RESOURCES**

**Re-employment Portal**

**DESCRIPTION**
One-stop resource centre for both employers and employees on re-employment.

**CONTACT**
For Re-employment related queries on the guidelines or coming legislation, please contact Tripartite Relations & Promotions(MOM) at mom_lrd@mom.gov.sg

For employers who wish to find out how you can implement re-employment in your company, please contact SNEF at tag@snef.org.sg

For employees who wish to find out how you can prepare yourself for re-employment, please contact NTUC at ird@ntuc.org.sg

Website: http://www.re-employment.sg
RESOURCES

**U Live Website**

**DESCRIPTION**
An ultimate lifestyle community to engage workers as well as retirees who are 55 years & above, through a comprehensive engagement programme of activities, interest groups and benefits; so as to lead healthy, happy, productive and purposeful driven lives and remain connected to the Labour Movement.

**CONTACT**

**U Live Community**
Tel: 6213 8008 (for Membership enquiries) / 6582 3605 (for Events enquiries)

For enquiries regarding Communities and Events, please contact: Jammy Chang / Shirley Goh
Email: events@ulive.com.sg

For enquiries regarding NTUC Membership and Benefits, please contact: Ong Yi Tian / Wayne Tay
Email: yourview@ulive.com.sg
Website: http://www.ulive.sg

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RESOURCES

**Workforce Development Agency (WDA)**

**DESCRIPTION**
Information on adult learning and WSQ courses for upgrading of skills.

**CONTACT**

**Workforce Development Agency**
1 Marina Boulevard
#16-01 One Marina Boulevard
Singapore 018989
Tel: 6883 5885
Fax: 6512 1111
Email: wda_enquiry@wda.gov.sg
Website: http://wda.gov.sg